

18 October 2007

Pierre Delsaux
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European Commission
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Dear Pierre

European Company Law simplification: Pre-emption Rights

Standard Life Investments Limited is an indirectly wholly owned subsidiary of Standard Life plc. We are a leading investment company, offering our clients a global investment capability. We manage, on behalf of our clients, investments with a value of over £140 billion/€208 billion, as at 30 June 2007, and are one of the recognised leaders in corporate governance especially as it relates to fulfilling shareholder responsibilities on behalf of clients.

We welcome the opportunity to comment on the European Commission Consultation on the Simplification of EU Company Law and Accounting and Audit Regulation.

We support the main features of the proposals and regard them as consistent with our clients' best interests. Along with the ABI, we appreciate the European Commission's aims in the simplification exercise and share the concern that European Law should not impose an unnecessary burden on companies, restricting their ability to deliver returns to shareholders. With the exception of the 2nd Directive we are supportive of the repeal of the Directives under consideration.

However with regard to the 2nd Company Law Directive, we support the views of the ABI and we believe there is a robust case for its retention at European level based on the underpin of the pre-emption rights principle, which contains essential investor safeguards and protection, and helps secure fundamental shareholder rights. We believe this Directive sets core standards for European capital markets and for companies and it is in the best interests of our clients to oppose any proposals to restrict or withdraw provisions on pre-emption rights.

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Further, we are of the view that the principle enshrined in this Directive relating to the payment of dividends purely out of accumulated profits, amounts to sound business practice and is one which should apply across the European Union.

We hope our comments will assist the Commission in its deliberations.

Yours sincerely

Guy Jubb
Head of Corporate Governance
Standard Life Investments